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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 6, 2009

Outgoing

C0070039

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Erwin Sass, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Subject: Conditional Approval for Revision to Degas Amendment, 30 Day Commitments Task ID #3102, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039

Dear Mr. Sass:

On December 30, 2008, the Division of Oil, Gas and Mining (the Division) received an amendment to the Dugout Canyon Mine's Degasification Amendment. The amendment was submitted as a result of a commitment outlined during the permitting of degasification wells G-18, G-31 and the AMV Road (Task ID #2846). The commitment called for the Permittee to produce as-built maps of the degas facilities once construction was completed.

On August 6, 2008, the Permittee submitted the aforementioned as-built information (Task ID#3025). The Division conducted a technical review and identified a deficiency. The amendment received by the Division on December 30, 2008 is in response to that deficiency.

The Division has concluded it's technical review of the most recently submitted as-built information and has recommended conditional approval. Final approval will be granted upon the receipt of 6 clean copies prepared for incorporation. Please submit these copies by January 29, 2009.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan. This modification does not necessitate an update to the Technical Analysis.

If you have any questions, please call me at (801) 538-5262 or Steve Christensen at (801) 538-5350.

Sincerely,

James D. Smith
Permit Supervisor

JDS/SKC/sqs
cc: Price Field Office
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